



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 6/20/2001

GAIN Report #SN1005

Singapore

FAIRS Products Specific

Edible Nuts

2001

Approved by:

Bonnie BORRIS

U.S. Office of Agricultural Affairs

Prepared by:

Stanton, Emms & Sia

Report Highlights:

Singapore's market for edible nuts is supplied solely by imports. The market is made up of around US\$51.4 million, made up of mainly peanuts and other edible nuts such as almonds, hazelnuts, sunflower seeds, walnuts, pistachio nuts and macadamia nuts.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], SN

Table of Contents

	Page No.
1. Introduction	2
2. Singapore in profile	2
3. Singapore's importance as a regional distribution hub	2
4. Singapore's edible nuts market	3
4.1 Market size	3
4.2 Imports	3
4.3 Re-exports	4
4.4 Local processors	5
4.5 Growth prospects	6
5. Consumer tastes and preference	8
6. Brief import requirements for edible nuts	8
7. Distribution patterns	9
Appendix A: List of importers	11
Appendix B: Retail price samples	13

Introduction

1. Introduction

This report covers the following types of edible nuts:

- Almonds.
- Walnuts.
- Hazelnuts.
- Pistachios.
- Macadamia nuts.
- Pecans.
- Peanuts.
- Sunflower seeds.

2. Singapore in profile

Singapore (population of 3.3 million) is one of the most affluent nations in Asia with a GDP per-capita of about US\$22,000 today. About 22% of the population are aged 15 years and below, which represents a sizeable pool of future consumers who will be an important driver for increased consumption of imported food and beverages in future.

Over 76% of its population make up the middle to upper income group of consumers, all of whom lead an urban lifestyle and represent the bulk of the market for imported food and beverages today.

Singapore's economy is based mainly on its strong export manufacturing and financial and business service sectors. Until recently, its economy has been growing in excess of 8% per annum. In 1999, Singapore reported annual GDP growth of about 5.5%, up from 1.3% in 1998, the year when its economic growth contracted as a result of the impact of the Asian economic downturn. The government forecasts economic growth for 2000 to be between 8% to 8.5%.

3. Singapore's importance as a regional distribution hub

Singapore is generally recognised as Southeast Asia's main distribution hub. The facilities offered by its airport and seaport have encouraged a large number of businesses, including food and ingredient suppliers, to base their operations in Singapore to serve their regional markets.

In 1999, US\$ 1.39 billion of food and beverages were re-exported from Singapore to various countries in the world. Of this, around 30% were shipped to ASEAN countries, with Malaysia being the main destination.

Around 30% of imported edible nuts are re-exported to as many as 33 different countries worldwide. Re-export to neighbouring ASEAN countries form significant proportions, as much as 100 % for some

product segments, of the re-export trade out of Singapore. More details on this matter are provided in the next chapter to this report.

4. Singapore's edible nuts market

Singapore's market for edible nuts is supplied solely by imports. It imports edible nuts for its own consumption and for re-export to other countries in Asia and the Pacific islands.

4.1 Market size

The market is made up of around US\$ 51.4 million in imports of edible nuts, made up of mainly peanuts and other edible nuts such as almonds, hazelnuts, sunflower seeds, walnuts, pistachio nuts and macadamia nuts. Peanuts form around 54% of total import value. The re-export market of edible nuts amounts to around US\$17.7 million, of which 75 % was for peanuts.

4.2 Imports

The Table below provides the total imports of edible nuts for the five years from 1995 to 1999.

Edible Nuts Imports (Tonnes)					
	1995	1996	1997	1998	1999
Almonds fresh or dried	709	819	821	651	1,035
Hazelnuts fresh or dried	106	154	64	64	28
Peanuts green	49,971	38,450	26,237	21,988	35,783
Peanuts roasted	1,679	2,815	2,590	2,359	2,077
Sunflower seeds	1,598	2,725	1,914	174	766
Other nuts fresh or dried#	4,268	6,298	5,183	3,474	4,481
Other edible nuts prepared or preserved*	4,682	6,561	4,777	3,553	6,078
Total (Tonnes)	63,013	57,822	41,586	32,263	50,248
Total (US\$ million)	69.9	64.3	53.6	40.1	51.4
% change in imports (Tonnes)		-8.2	-28.1	-22.4	+55.7
# Includes walnuts, pistachios, macadamia nuts and pecan. * Includes almonds, walnuts, hazelnuts, pistachios, peanuts canned and not roasted. Source: Department of Statistics					

Trade sources estimate that almonds, walnuts, hazelnuts, pistachios, macadamia nuts, pecans, peanuts

and sunflower seeds together make up about 75% of the total edible nuts import market.

The top 3 major supply countries in 1999 are shown by the Table below.

Major Supply Countries and Their Import Market Shares (1999)	
Almonds fresh or dried	USA (91%), China (6%), New Zealand (2%)
Hazelnuts fresh or dried	USA (61%), Turkey (39%)
Peanuts green	India (44%), China (36%), Vietnam (19%)
Peanuts roasted	Vietnam (47%), Malaysia (26%), China (22%)
Sunflower seeds	China (71%), USA (27%)
Walnuts fresh or dried	China (84%), USA (13%), Turkey (2%)
Pistachios fresh or dried	USA (91%), China (4%), Iran (4%)
Peanuts prepared, canned	India (50%), China (32%), Malaysia (9%)
Source: Department of Statistics	

A small number of countries supply edible nuts to Singapore. In 1999, there were 8 countries involved in supplying almonds, 2 countries involved in supplying hazelnuts, 16 countries involved in supplying peanuts, 9 involved in supplying sunflower seeds, 5 involved in supplying walnuts and 5 countries involved in supplying pistachios to Singapore.

The USA is a major supplier of edible nuts to Singapore, with the following market positions and market shares:

- Leading supplier for almonds (91%), hazelnuts (61%) and pistachios (91%).
- Second largest supplier for sunflower seeds (27%) and walnuts (13%).

Its major competitors for edible nuts are:

- India (peanuts green, roasted, prepared or canned).
- China (peanuts green, roasted, prepared or canned, sunflower seeds, walnuts).
- Malaysia (peanuts roasted, prepared or canned).

4.3 Re-exports

The Table below provides the total re-exports of edible nuts from Singapore for the five years from 1995 to 1999.

Edible Nuts Re-Exports (Tonnes)					
	1995	1996	1997	1998	1999
Almonds fresh or dried	295	428	477	270	489
Hazelnuts fresh or dried	40	112	45	34	7
Peanuts green	18,602	23,285	16,522	14,614	11,128
Peanuts roasted	373	546	311	223	227
Sunflower seeds	746	1,210	1,859	558	408
Other nuts fresh or dried#	2,404	3,067	2,763	1,759	1,687
Other edible nuts prepared or preserved*	1,726	1,597	1,411	1,117	1,140
Total (Tonnes)	24,186	30,245	23,388	18,575	15,086
Total (US\$ million)	29.1	31.3	27.4	19.8	17.7
% change in re-exports(Tonnes)		+25.1	-22.7	-20.6	-18.8
# Includes walnuts, pistachios, macadamia nuts and pecan.					
* Includes almonds, walnuts, hazelnuts, pistachios, peanuts canned and not roasted.					
Source: Department of Statistics					

Singapore re-exports edible nuts to over 33 different countries. Peanuts formed 75% of the re-export trade in 1999. The main re-export destination for edible nuts is Malaysia.

Re-exports to ASEAN countries formed significant proportions of total re-export quantities in 1999, as shown below:

- Almonds fresh or dried: 57 %
- Hazelnuts fresh or dried: 100 %
- Peanuts green: 99 %
- Peanuts roasted: 55 %
- Sunflower seeds: 100 %
- Other nuts fresh or dried: 96 %
- Other edible nuts prepared or preserved: 86 %

4.4 Local processors

The Table below provides the total value of local production of snack foods for the five years from 1994 to 1998. No details are available on local processing/packaging of edible nuts as the government considers such production to be a minor industry.

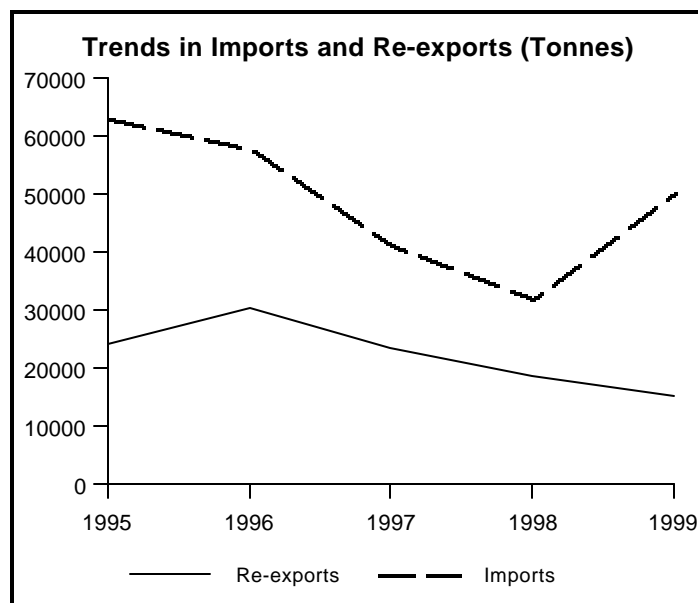
Local Production of Snack Foods (Sales : US\$ million)					
	1994	1995	1996	1997	1998
Snack foods	37.3	34.7	33.5	26.5	24.1
Note: Production quantity in tonnage is not provided by the government. At the time of writing, the statistics for 1999 has not yet been released by the government. Source: Economic Development Board					

The Table above shows that local production of snack foods products has been declining for the five year period to 1998. Today, local processing of edible nuts are dominated by two brand driven, export oriented large locals. These large local companies dominate the Singapore edible nuts market. They are also involved in exporting their products to ASEAN countries such as Malaysia, Brunei and Thailand.

The large local companies are Tong Guan Food Products (S) Pte Ltd (Tong Garden brand), Tai Sun (Lim Kee) Co (Tai Sun brand) and Seng Hua Hng Foodstuff Pte Ltd (Camel brand). These companies are involved in the packaging and processing of honey roasted and roasted almonds, peanuts, cashew nut, macadamias, pistachios, party snacks, mixed nuts/cocktail mix and other snack food products. Seng Hua Hng also packs for Shop N Save Supermarket, under the supermarket's Choice 1 brand.

No information is readily available about the sales made by these companies. Trade sources comment that, as an example, a major processor's sales in 1996 amounted to US\$10.6 million. Other local processors are small family owned businesses.

US exporters targeting the local processors/packers should be aware that the demand by local processors are very specific and based on local demand traits. They generally shy away from products which appear unviable to them in the local market. Some local processors only use ready finished products for their re-packaging. Quality and price are important criteria to the local processors.



4.5 Growth prospects

The Chart below shows the trends in imports and re-exports of edible nuts over the five years to 1999.

The Table above indicates that overall imports as well as re-exports of edible nuts started declining in 1996 mainly due to declining imports and re-exports of peanuts.

Trade sources comment that the market for edible nuts has been static for some time. They commented that the market is unlikely to grow significantly in future. It is already a long established market with little impetus for growth. They added that the main area of growth in the snacks market is in potato chips and other extruded snack products and not edible nuts.

On the positive front, opportunities still continue to exist for the following edible nuts:

- Peanuts, being the most popular edible nuts for most Singaporeans. Brands are very important to the consumers, especially the local brands. Tong Garden aggressively promotes its brand during the period leading up to festive seasons such as the Chinese New Year. They control and influence what is in the market. In addition, a sizeable demand exists for peanuts in the following types of establishments: middle to high end Chinese restaurants, pubs, bars, discos and night clubs as well as snack food outlets at cinemas. Opportunities exist for US exporters to become more active in these sectors of the edible nuts market.
- Other edible nuts such as walnuts, almonds, hazelnuts, pecans and macadamia nuts. Trade sources comment that some growth is expected for baked products containing edible nuts. Baked products containing such edible nuts remain a very small niche in the bakery sector mainly due to lack of new introductions into the baked products market. In addition, these edible nuts may be packaged together with peanuts in gift packs and promoted in the period leading up to Chinese New Year. Some expatriates have demand for nuts at Christmas time. This seasonal demand is serviced by supermarkets such as Cold Storage. These present opportunities that can be exploited by US suppliers.

Trade sources comment that opportunities exist for the re-export of edible nuts to Malaysia (population of 22 million). Malaysia exhibits similar market demand characteristics to Singapore and therefore similar products may be re-exported to this country.

Malaysia's economy is picking up and consumer confidence is high. Consumer spending is expected to pick up over the next three years which shall present opportunities to suppliers of dried fruits. However, the Ringgit exchange rate still has a negative impact on demand for imported products as price as well as quality are important factors to Malaysian buyers. US exporters need to monitor the situation to assess the impact on future demand for imported products into Malaysia.

In addition, the Malaysian retail sector is changing with the entrance of hypermarkets and other large retail stores. Re-exporters will have to deal with these new challengers. This market may become more

difficult for some imported products, particularly niche products, in future.

US exporters intending to explore the opportunities highlighted above are advised to perform detailed market research in these markets to better understand the market characteristics and identify in more detail the opportunities for their products types.

5. Consumer tastes and preference

Edible nuts such as peanuts have long been established in the market. The bulk of imported edible nuts are packed and processed as snack products. Most edible nuts are purchased by consumers from retail outlets such as supermarkets, mini markets, neighbourhood grocery shop, wet markets (unshelled, unprocessed peanuts). Edible nuts are also purchased at pubs, night clubs and other bars as well as snack food outlets located at cinemas.

The following demand traits exist for edible nuts:

- The most popular edible nuts consumed as a snack are peanuts. Peanuts in shell, shelled, roasted, salted or coated peanuts are popular with most Singaporeans. Peanuts are consumed at all times of the day although the most popular snacking time for peanuts is in front of the television in the evening when a good programme is showing. It is also popular as a snack with beer and other non-alcoholic drinks. Peanuts are also very popular snack products consumed at the movies. Additionally, peanuts are usually served as an entree by middle to higher end Chinese restaurants.
- Trade sources comment that small packaged peanuts are usually purchased on impulse whilst the large packs are usually purchased during festive seasons such as Chinese New Year when large quantities of peanuts are popularly consumed. Trade sources comment that brands are important to the purchases, as well as quality and price. Local brands are preferred as they are well known and are strong in the market.
- Almonds are generally not consumed as snack items. They are used as an ingredient in cooked foods. Almonds are also considered as having health properties and consumed by some elderly Singaporeans as a health food product.
- Other edible nuts such as pistachios and macadamia are not popular snacks. These are not traditional snack items and are also more expensive than peanuts. These edible nuts are usually purchased in small quantities on an irregular basis. Trade sources comment that, for this reason, small packets are preferred and are usually purchased on impulse. Trade sources added that “older” products such as sunflower seeds are facing a declining market at the moment. These edible nuts are not in the minds of most consumers when snacks are purchased. This is because they are facing strong competition from alternative snack products such as potato chips and extruded snacks which are gaining market share in the snack market in Singapore.

- Some types of nuts, e.g. hazelnuts, walnuts and pecans are used as ingredients in baked goods such as cakes. These edible nuts generally not consumed as snacks. These are usually found in small quantities displayed at the supermarket's bakery ingredients section. Quantities demanded are very low as most Singaporeans do not bake cakes, biscuits and alike.
- Trade sources from the bakery sector comment that they use low quantities of edible nuts, such as almonds, walnuts, hazelnuts, pecans, macadamia and sunflower seeds in their baked products as consumers prefer other baked products to those containing edible nuts.
- Trade sources from the hotels comment that they use very low quantities of edible nuts compared to other ingredients that they use in their menus. Edible nuts are thus considered as minor products by them.

6. Brief import requirements for edible nuts

Singapore is virtually a free port. No import duty is imposed on imported dried fruits. A Goods and Services Tax (GST) at the rate of 3% is imposed on the importation of goods into Singapore, calculated based on the CIF (Cost, Insurance, Freight) value in Singapore dollars.

The import and sale of food products in Singapore are governed by the Sale of Food Act and the Food Regulations. Food imported for sale in Singapore are required to comply with the food standards and labelling requirements stipulated in the Food Regulations.

All imported foodstuffs have to be registered with the Food Control Department. Registration can be done by sending the Department a copy of the inward declaration that has been approved by the Singapore Trade Development Board. Registration covers a one year period for a particular product.

When food enters Singapore, companies must submit the proper documentation to the Controller of Imports and Exports. An inward cargo manifest must be submitted to Customs within 24 hours of arrival of the carrier. All declarations are required to be submitted and approved electronically through the EDI network called the TradeNet System.

Edible nuts will only be approved for importation subject to compliance with the Food Regulations. The Food Regulations cover minimum or permitted levels of a wide range of food additives in each food type, packaging, labelling requirements, sale by date and health claims by products. The regulations are strictly applied and enforced to maintain the highest possible quality for food to ensure the safety of its Singapore residents.

The local importer may wish to send the product samples to the local accredited laboratories for testing to find out whether the food products conform with the Singapore Food Standards before importing the consignments into Singapore.

The Singapore government's policy is to keep its food regulations up-to-date and in line with all new aspects of food technology and production. For this reason, the reader is advised to check on the most

recent legislation as they are likely to be changes in future.

7. Distribution patterns

The bulk of edible nuts are imported by local importers. Most of these edible nuts are then distributed to snack processors/packers in Singapore. Most retail outlets source the bulk of their demand for processed and packed edible nuts from the local snack processors/packers. Low quantities of ready packaged/processed branded edible nuts are also imported and distributed to retail outlets.

Packaged and processed edible nuts are distributed to:

- Supermarkets and mini markets.
- Local neighbourhood grocery stores.
- Snack food outlets at cinemas.
- Middle to high end Chinese Restaurants.
- Pubs, bars, discos and night clubs.

There are no special warehousing or handling requirements for edible nuts being distributed in Singapore. However, the quality of packaging is important because insect infestation and mold can be a problem in Singapore's distribution system.

Trade sources comment that edible nuts can be re-exported or trans-shipped in its original packing to other ASEAN countries without any need for re-packing or re-labelling. However, some changes are taking place affecting import regulations in Thailand. Import of food products into Thailand is generally difficult because of the need to register the products for import into the country. In this case, it is best that local Thai importers are appointed to deal with all Thai import regulations.

Appendix A: List of importers

Cold Storage Singapore (1983) Pte Ltd
1 Sophia Road #06-38
Singapore
Tel: 337 2766
Fax: 334 4090

Harpers Trading (S) Pte Ltd
34 Boon Leat Terrace
Singapore 119866
Tel: 472 2888
Fax: 471 3335

Interstates Market Pte Ltd
680 Upper Thomson Road
Singapore 787103
Tel: 450 9849
Fax: 458 8975
(Related to NTUC)

Kee Wee Hup Kee Food Manufacture Pte Ltd
24 Tuas Ave 7
Singapore 639274
Tel: 861 0696
Fax: 861 5581

Network Foods Distribution Pte Ltd
12 Woodlands Link
Singapore 738740
Tel: 757 7678
Fax: 757 0070

NTUC Fairprice Co-Operative Ltd
680 Upper Thomson road
Singapore 787103
Tel: 456 0233
Fax: 450 9740

Origins Healthcare Pte Ltd
55 Ubi Avenue #08-07
Singapore 408935
Tel: 745 2402
Fax: 745 2402

Petra-SPT Marketing Pte Ltd
13 Woodlands Link
Singapore 738725
Tel: 755 7715
Fax: 755 7715

Seng Hua Hng Food stuff Pte Ltd
127 Defu Lane 10
Singapore 539234
Tel: 383 3388
Fax: 383 0689

Shop N Save Pte Ltd
48 Lorong 21 Geyland #04-01
Singapore 388464
Tel: 843 0639
Fax: 842 7488

Sun Lim Garden Foodstuffs Pte Ltd
Block 1006 Aljunied Avenue, #01-02
Singapore 389887
Tel: 748 0362
Fax: 743 8532

Tai Sun (Lim Kee) Food Industries Pte Ltd
255 Pandan Loop
Singapore 128433
Tel: 779 6611
Fax: 778 2477

Tong Garden Food Products Singapore Pte Ltd
33 Chin Bee Crescent
Singapore 2261
Tel: 264 2828
Fax: 265 2515

Appendix B: Retail Price Sample

Product type	Source	Unit Price (\$\$)
Peanuts salted	China	2.50/400g
Macadamia nuts	USA	6.90/92g
Almonds	NI	6.45/125g
Almonds roasted, salted	USA	5.10/127g
Pistachios	NI	4.90/200g
Sunflower seeds	NI	2.70/125g
Walnuts halves	NI	4.10/125g
Pecans	NI	5.45/125g
Hazelnuts	NI	2.70/100g
NI: Country source not indicated. Source: Market observations conducted in September 2000		

END OF REPORT